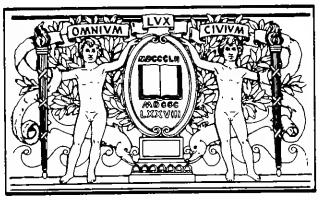

BOSTON
PUBLIC
LIBRARY

BOSTON REDEVELOPMENT AUTHORITY
PRUDENTIAL CENTER CHAPTER 121A SEPARATION AND TERMINATION

PRESENTATION TO THE BRA BOARD
DECEMBER 14, 1989

BOSTON REDEVELOPMENT AUTHORITY
PRUDENTIAL CENTER CHAPTER 121A SEPARATION AND TERMINATION

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DECEMBER 14, 1989

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K3/34

M E M O R A N D U M DECEMBER 14, 1989

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: PAMELA WESSLING, ASSISTANT DIRECTOR FOR
URBAN DESIGN AND DEVELOPMENT
THOMAS MAISTROS, PROJECT MANAGER
SCOTT FOWLER, PLANNING ASSISTANT

SUBJECT: PUBLIC HEARING REGARDING A REPORT AND DECISION AUTHORIZING: 1) THE SEPARATION OF THE PRUDENTIAL PROJECT UNDER M.G.L. CHAPTER 121A AND ST. 1960, c. 652, AS AMENDED INTO THE "RESIDENTIAL PROJECT" AND THE "REDEVELOPMENT PROJECT" AND 2) THE TERMINATION OF THE CHAPTER 121A STATUS OF THE REDEVELOPMENT PROJECT.

EXECUTIVE SUMMARY: This memorandum requests that, in the matter regarding the separation of the existing Prudential Center Chapter 121A Project into two Chapter 121A projects, the "Residential Project" and the "Redevelopment Project," and the termination of the Redevelopment Project's Chapter 121A status, after a public hearing, the Boston Redevelopment Authority take the matter under advisement; and consider it open in order to allow the submission of written comments until January 5, 1990 at 5:00 P.M. to be incorporated into the public record; and reconsider the matter at its regular meeting, scheduled for January 18, 1990, for which the staff will submit written comments.

The Prudential Center, located in the Back Bay, was approved under Chapter 121A of the General Laws and Chapter 652 of the Acts of 1960. The Boston Redevelopment Authority ("BRA") voted to adopt a Report and Decision on the Chapter 121A Application of the Prudential Insurance Company of America ("Prudential") on August 14, 1961. Since that time there have been a number of amendments to the project, the most recent of which was approved by the BRA on December 30, 1983.

Prudential requests the separation of the existing Prudential Center Chapter 121A Project into two Chapter 121A projects, the "Residential Project" and the "Redevelopment Project" as shown on the plans attached hereto as Exhibit A, and, subsequent to the separation, Prudential has requested that the Chapter 121A status of the Redevelopment Project be terminated.

The site area of the Prudential Center (the "Center") is approximately 24.8 acres and is bounded by Boylston Street, Exeter Street, Huntington Avenue, Belvidere Street and Dalton Street, excluding properties owned by the Massachusetts Convention Center Authority and the Lenox Hotel.

Although the termination of the Redevelopment Project's Chapter 121A status would mean that the restrictions of Chapter 121A would no longer apply to the non-residential portion of the Center, the Prudential Center redevelopment would still be subject to substantial review and regulation under the applicable PDA and Article 31 review process.

Prudential is proposing to redevelop the Prudential Center. In this connection it submitted, pursuant to Article 31 of the Boston Zoning Code, a Project Notification Form on June 28, 1988, a Draft Project Impact Report on April 12, 1989, and a Final Project Impact Report on November 14, 1989. The proposed project involves the construction of approximately 1.8 million square feet including two new office buildings, new and redeveloped retail space, 282 residential units, two on-site childcare centers, and reconfigured below-grade parking.

A revitalized Prudential Center offers additional benefits. The Redevelopment Project is anticipated to generate approximately $9.3 million in annual new tax revenues, 2,200 construction jobs, 5,600 permanent jobs, $8.87 million in housing and jobs linkage funds, new day care space, substantial streetscape improvements, and other public benefits for neighborhood residents.

In order to carry out the project, Prudential has requested that it be permitted to redevelop without the limitations imposed by its Chapter 121A status. Prudential is concerned with the strict statutory limitations on the sale of interests in, and distributions of dividends from a Chapter 121A Project preventing Prudential from seeking co-investors to help finance the project.

During the review process that accompanied the preparation of the Development Plan, the Prudential Center's residents expressed concerns about their rights if the Chapter 121A status of the residential portion of the Center were terminated. Mayor Flynn expressed his support for the concerns of the tenants and the City's committment to protect their rights. Consequently, it was agreed that termination of the Center's Chapter 121A status would

exclude the Residential Project, which would remain subject to Chapter 121A.

Chapter 121A expressly provides for the BRA to approve applications for change and for the sale of portions of Chapter 121A projects. As such, the division of a single project into two or more separate projects was within the contemplation of the General Court when it enacted Chapter 121A.

The separation of the Center into two Chapter 121A projects and subsequent termination of the Chapter 121A status of the Redevelopment Project is desirable for two reasons. First, by isolating the residential component of the Center as a separate project, the BRA could terminate the Chapter 121A status of the remainder of the Center without disturbing the protection afforded the Center's residential tenants under Chapter 121A.

Second, by separating the Center into two Chapter 121A projects and retaining the Residential Project's Chapter 121A status, the City of Boston (the "City") will realize significantly larger tax benefits from the Residential Project. Because of tax classifications and Chapter 59, residential property is taxed at a lower rate than commercial property. Currently, the 1990 FY tax rate for residential property in the City is $8.45 per thousand dollars of fair market value. Under Chapter 121A, Section 10, the Prudential is taxed at a rate of $10.00 per thousand dollars of fair market value of the Center plus five percent (5%) of gross income from all sources. Therefore, the City will realize greater revenue by having the Residential Project remain under Chapter 121A.

The Residential Project will continue to be operated as a multi-unit residential apartment complex. Prudential has indicated that, if so directed by the BRA, it will deliver a written assurance to the residential tenants that the rental status of the Residential Project will not be modified through conversion to cooperatives or condominiums through the remaining period during which the Residential Project remains subject to Chapter 121A. Prudential has also provided assurances, to be memorialized through the Cooperation Agreement for the project, that the tenants of the Residential Project will continue to have rights of access through lobbies and existing elevators, and the parking needs of the residential tenants and their visitors and guests will continue to be met through monthly parking arrangements, in an enclosed section of the garage on a shared-use basis, and through provision of a reserved parking area for

visitors and guests.

The significance of the factors precluding the Redevelopment Project from being developed under Chapter 121A, and the generation of the public benefits mentioned above, indicate that it is in the public interest to terminate the Redevelopment Project's Chapter 121A status.

In the opinion of the Chief General Counsel, the proposed separation would not represent a fundamental change for the purposes of Chapter 121A. However, the proposed termination would represent a fundamental change for such purposes, and as such, the Prudential's application for termination must be treated as would an application for the original approval of a project under Chapter 121A.

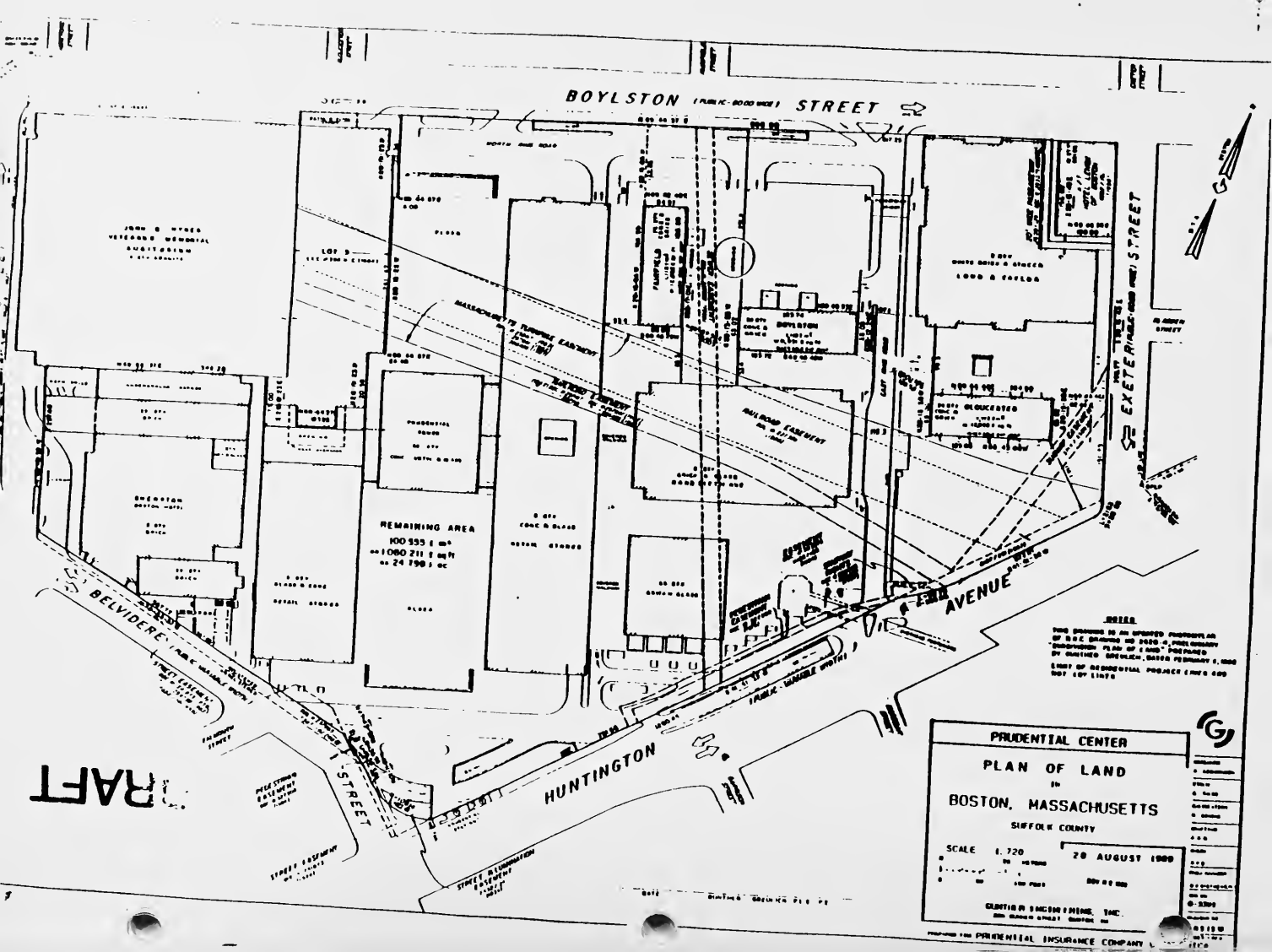
It is therefore recommended that the accompanying amendment Report and Decision regarding the proposed separation, attached hereto as **Exhibit B** and the amendment regarding the proposed termination, attached hereto as **Exhibit C**, be taken under advisement until January 5, 1989 at 5:00 P.M. to allow for the submission of written comments and reconsideration be scheduled for the BRA's regular meeting on January 18, 1990.

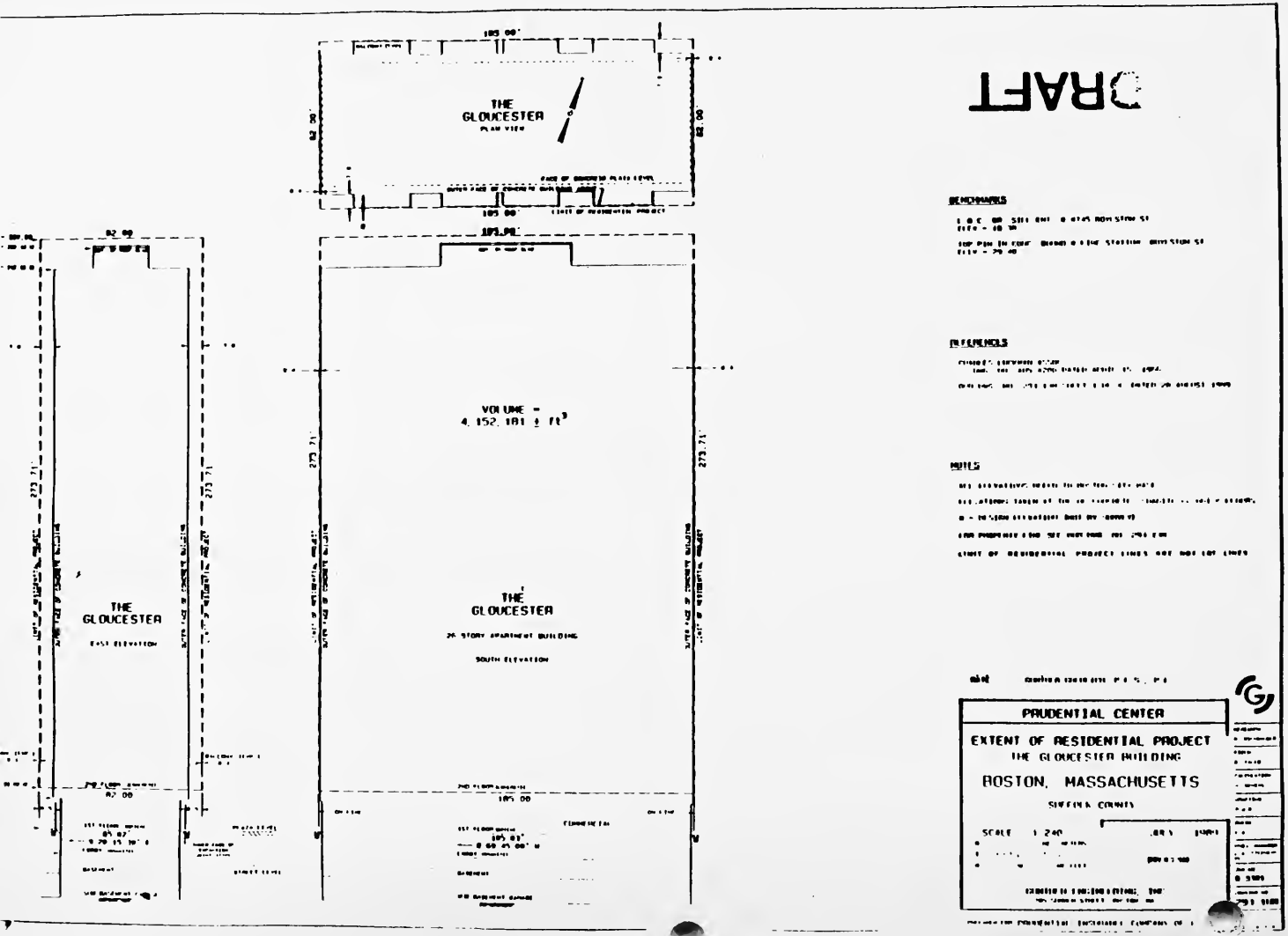
An appropriate vote follows:

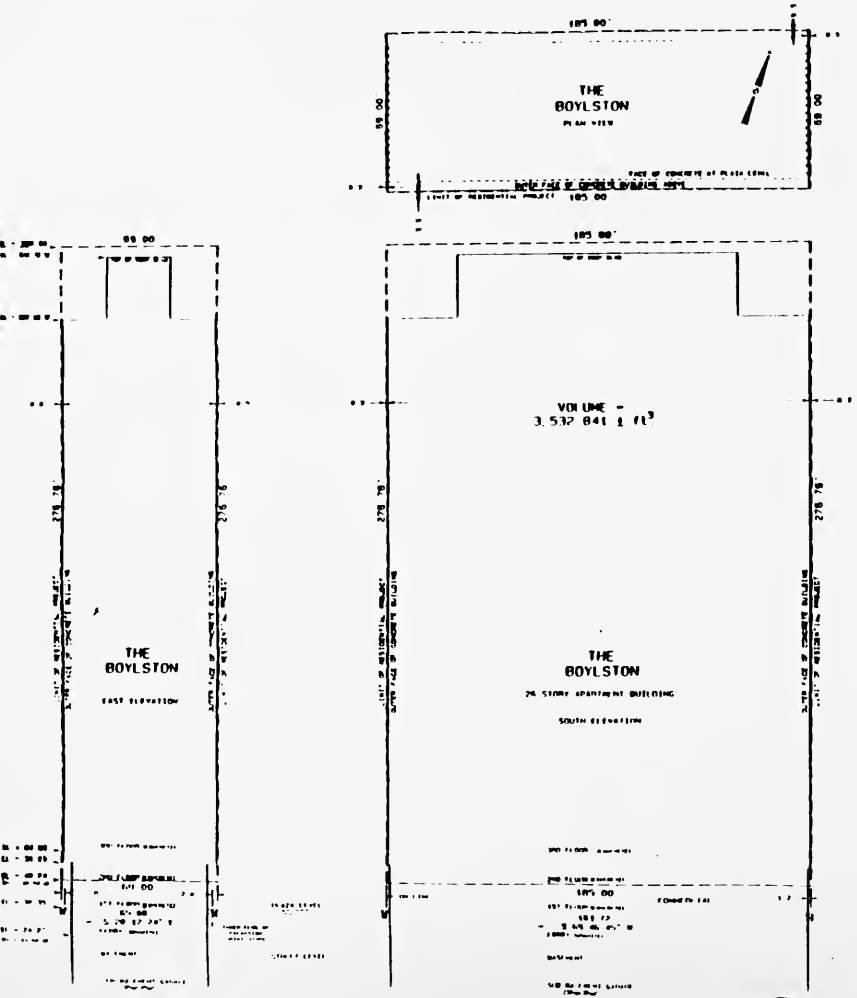
VOTED: That in the matter regarding the two documents attached hereto both entitled, "Boston Redevelopment Authority Amendment to the Report and Decision on the Application of The Prudential Insurance Company of America for Authorization and Approval of a Project Under Massachusetts General Laws (Ter. Ed.) Chapter 121A, as amended, and Chapter 652 of the Acts of 1960," the Boston Redevelopment Authority hereby takes the matter under advisement and votes to keep open the period for comments until January 5, 1990 at 5:00 P.M. to be incorporated in the public record. Staff shall consider the evidence presented at the hearing and the written public comments and shall submit written staff recommendations for reconsideration by the BRA at its regular meeting on January 18, 1990.

EXHIBIT A

[Separation Plans]


BOYLSTON STREET
EXETER STREET
BELVIDERE STREET
HUNTINGTON AVENUE
REMAINING AREA
100 555 ± m²
1 080 211 ± sq ft
24 790 ± ac
RAILROAD EASEMENT
PRUDENTIAL CENTER
PLAN OF LAND
BOSTON, MASSACHUSETTS
SUFFOLK COUNTY
SCALE 1:720
20 AUGUST 1969
DRAFT


THE GLOUCESTER
PLAN VIEW
105.00'
82.00
THE GLOUCESTER
EAST ELEVATION
273.71'
THE GLOUCESTER
26 STORY APARTMENT BUILDING
SOUTH ELEVATION
VOLUME =
4,152,181 ± ft³
DRAFT
BENCHMARKS
REFERENCES
NOTES
PRUDENTIAL CENTER
EXTENT OF RESIDENTIAL PROJECT
THE GLOUCESTER BUILDING
BOSTON, MASSACHUSETTS
SUFFOLK COUNTY
SCALE 1:240



DRAFT

BENCHMARKS

NOTES

PRUDENTIAL CENTER

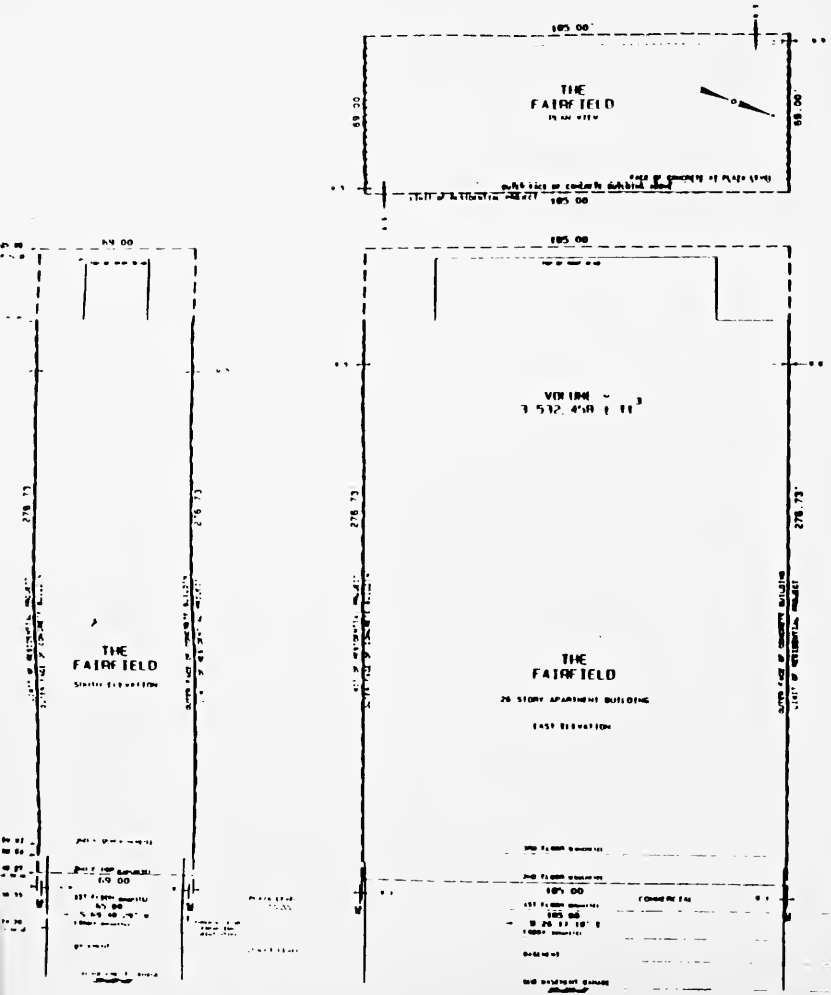
EXTENT OF RESIDENTIAL PROJECT
THE BOYLSTON BUILDING

BOSTON, MASSACHUSETTS

SUFFOLK COUNTY

SCALE 1:20

20 AUGUST 1989



DRAFT

BENCHMARKS

1. B.C. ON DRILL HOLE @ PARK BOYLSTON ST
ELEV = 10.30

TOP PIN IN CONC. BOUND @ FIRE STATION BOYLSTON ST
ELEV = 20.00

REFERENCES

CHARLES LUCKMAN ASSOC.
DWG NO AHC-012 DATED MAY 15 1984

OUR DWG NO 203 ESH SHEET 1 OF 4, DATED 20 AUGUST 1989

NOTES

ALL ELEVATIONS REFER TO BOSTON CITY DATUM

ELEVATIONS TAKEN AT TOP OF CONCRETE, GRANITE OR BRICK FOUND

0 = DESIGN ELEVATION (NOT ON SURVEY)

FOR PROPERTY LINE SEE OUR DWG NO 203 ESH

LIMIT OF RESIDENTIAL PROJECT LINES ARE NOT LOT LINES

BRW — BROWNER ENGINEERING, INC. 21 B. 23

PRUDENTIAL CENTER

EXTENT OF RESIDENTIAL PROJECT
THE FAIRFIELD BUILDING

BOSTON, MASSACHUSETTS

SUFFOLK COUNTY

SCALE 1:240 20 AUGUST 1989

BROWNER ENGINEERING, INC.

PREPARED FOR PRUDENTIAL INSURANCE COMPANY OF AMERICA

EXHIBIT B

Separation Report and Decision
(See Tab 4)

EXHIBIT C

Termination Report and Decision
(See Tab 4)

The Prudential Insurance Company of America
Prudential Center
Suite 4800
Boston, Massachusetts 02199

November 6, 1989

Mr. Stephen Coyle, Director
Boston Redevelopment Authority
Boston City Hall
One City Hall Square
Boston, Massachusetts 02108

Re: Prudential Center Project Separation

Dear Mr. Coyle:

Reference is made to: (a) Amendment of Application dated June 13, 1961, filed by The Prudential Insurance Company of America ("Prudential") with you on July 14, 1961, and to your Report and Decision dated August 14, 1961; (b) Supplementary Application dated August 13, 1964, filed with you on the same day, and to the action which you took with reference thereto by vote on August 13, 1964, approved by the Mayor on August 19, 1964; (c) Supplementary Application dated April 26, 1965, filed with you on April 29, 1965, and to the action which you took with reference thereto by vote on April 29, 1965, approved by the Mayor on June 2, 1965; (d) Supplementary Application dated July 17, 1967, filed with you on July 27, 1967, and to the action which you took with reference thereto by vote on August 7, 1967, and approved by the Mayor on August 15, 1967; (e) Supplementary Application dated April 11, 1972, filed with you on April 11, 1972, and to the action which you took with reference thereto by vote on June 15, 1972, and approved by the Mayor on July 6, 1972; (f) to Supplementary Application dated April 17, 1973, filed with you on the same day, and to the action which you took with reference thereto on April 22, 1973, approved by the Mayor on May 2, 1973; (g) Supplementary Application dated June 27, 1974, filed with you on the same day, and to the action which you took with reference thereto on July 17, 1974, and approved by the Mayor on July 25, 1974; (h) Supplementary Application dated April 15, 1976, filed with you on April 16, 1976, and to the action which you took with reference thereto on May 6, 1976, approved by the Mayor on May 24, 1976; (i) Supplementary Application dated February 12, 1979 filed with you on that date, and to the action you took with reference thereto on March 29, 1979, and approved by the Mayor on May 4, 1979; (j) Supplementary Application dated

January 31, 1980, filed with you on that date, and to the action which you took with reference thereto on February 21, 1980, and approved by the Mayor on March 25, 1980; (k) Supplementary Application dated August 26, 1982, filed with you on that date, and to the action which you took with reference thereto on September 16, 1982, and approved by the Mayor on September 27, 1982; (l) Supplementary Application dated November 7, 1983, filed with you on that date, and to the action which you took with reference thereto on December 30, 1983; and (m) Supplementary Application dated May 29, 1987, filed with you on that date, and to the action which you took with reference thereto.

Background Information

Prudential's concern with the general outdated and obsolescent condition of the Prudential Center (the "Existing Project") led it, in 1986, to propose redeveloping the Prudential Center by adding approximately 2.3 million net usable square feet of residential, office, and retail space to that already existing on the site. This proposal was met with concern from the Prudential Center's neighbors and other groups who would be affected by the proposed redevelopment. In response to these concerns, the Mayor created the Prudential Project Advisory Committee ("PruPAC"), a group representing various neighborhood, civic, and other special interest groups organized to generate a set of development guidelines for Prudential. In recognition of these guidelines, Prudential has scaled down its original proposal for redevelopment significantly.

Pursuant to Article 31 of the Boston Zoning Code and the provisions of the Massachusetts Environmental Protection Act, Prudential has undertaken a comprehensive environmental analysis, including an intensive traffic study, a housing impact study, wind and shadow studies, and various other environmental and infrastructure analyses. At each stage in the planning process, the Authority and PruPAC--as well as other interested groups--were advised of changes in the redevelopment proposal. These groups responded with suggestions regarding the project changes. Their suggestions were reviewed and, whenever possible, accommodated.

The Redevelopment Proposal

Prudential proposes to redevelop the Prudential Center (the "Redevelopment Project") in accordance with the plan (the "Development Plan") which is to be submitted to the Boston Redevelopment Authority. The Redevelopment Project incorporates the following new construction:

(a) Belvidere Residential Building. Approximately 81 units of new housing located in a 9 floor residential structure over two floors of retail uses, enclosing an atrium space;

(b) Huntington Office Building. A 34 floor office structure over two floors of retail space;

(c) South Shopping Area. A new area of shops, including a mini-anchor store adjacent to the South Plaza;

(d) Huntington Shops. A new shopping area clustered around the entrance to the complex from the bridge to Copley Place;

(e) Neighborhood Shopping Center. A new large supermarket and shops catering to the day-to-day needs of nearby residents;

(f) Boylston Office Building. An 9 floor special purpose office structure over two floors of retail uses;

(g) North Shopping Area. New shops lining the entrance route from Boylston Street, including a mini-anchor store with entrances both at deck and ground level;

(h) Boylston West Residential Building. Approximately 78 units of new housing located in a 10 floor structure with retail uses at both street and deck level;

(i) Boylston East Residential Building. Approximately 123 units of new housing located in a 10 floor structure with retail uses at both street and deck level.

The Redevelopment Project will result in the addition of 991,000 FAR gross square feet of office space; 263,000 FAR gross square feet of retail space (net of demolition of 143,000 square feet of existing low-rise retail space, except the Bank of New England offices, Saks Fifth Avenue and Lord & Taylor); 422,000 FAR square feet of residential space; and 158,000 FAR square feet of enclosed pedestrian areas.

Among the goals to be served by the Redevelopment Project is the transformation of the Existing Project into an environment that is appealing at all hours. This will be accomplished by a unique site organization that parallels the street patterns of the surrounding neighborhoods. This structure will allow for free pedestrian movement through the Redevelopment Project.

Benefits From the Redevelopment

The proposed Redevelopment Project will produce numerous public benefits outlined as follows:

(a) Fiscal Benefits: As discussed below, the separation of the Existing Project into the Residential Project and the Redevelopment Project will result in greater tax revenues for the City of Boston (the "City"). Proceeding as proposed will result in an increase to the City of approximately $93,000,000 in tax benefits over ten years between 1991 and 2001. This increase in benefits is met by an increase in cost to the City during the same 10-year period of only about $0.8 million annually.

(b) Employment Benefits: The Redevelopment Project will produce approximately 2,200 person years construction jobs over a seven to ten year period, beginning in 1990. In addition, approximately 5,600 permanent jobs will be created, generating approximately $154,000,000 in annual wages. The Redevelopment Project will also generate approximately $1,455,000 in job linkage funds.

(c) Housing and Community Benefits: The Redevelopment Project will generate housing linkage contributions of approximately $7,275,000. Prudential has proposed in addition a voluntary contribution to the City of $1,116,000. Prudential proposes to use these funds to satisfy the affordable housing component of the proposed zoning for the Redevelopment Project.

(d) Public Amenities: The proposed Redevelopment Project will redress the existing isolation and separation of the Prudential Center from the surrounding neighborhoods by producing continuous, active, and well-scaled urban arcades through the Prudential Center. The existing spaces will be replaced by lively retail shops attracting pedestrians. The proposed elimination of the north and south ring roads will further link the Center with its surroundings. A new neighborhood shopping area, containing an enlarged supermarket and other shops intended to serve residents of adjacent neighborhoods, will be constructed to front on East Ring Road and Huntington Avenue. Additionally, the Redevelopment Project includes two child-care centers with associated outdoor play areas, a relocated information center operated by the Greater Boston Convention and Tourism Bureau, a post office, and a chapel.

(e) Transportation and Transit Improvements. The proposed Redevelopment Project includes a transportation mitigation plan to lessen the anticipated traffic impacts of the new development and to reduce the transportation impacts of existing uses at Prudential Center. The components of this comprehensive plan include: improving access to public transportation; parking management improvements to the existing Prudential Center garage; access/circulation design improvements to the manner in which the Prudential Center integrates with the surrounding street system; traffic operations improvements to area streets; loading improvements designed to minimize negative impacts from those activities; and pedestrian improvements designed to upgrade the pedestrian walkways and improve connections to the surrounding areas. Pedestrian passageways will be reconstructed on the site to provide weather protected and heated ways between the main destinations -- from the Copley Place bridge to the south entrance of the Hynes Convention Center, and between Boylston Street and the corner of Huntington Avenue and Belvidere Street. Secondary indoor pedestrian ways will connect to a new street level entrance on Belvidere Street at the end of the Christian Science Plaza, and will provide an indoor link at the deck level between the main retail areas of the complex and the Lord & Taylor store. Pedestrian passageways have been designed to be direct and street-like in character, with roofs glazed to the maximum extent possible, as permitted by codes. A series of generous indoor public spaces will be provided at the entrances to the complex and at nodes on the passageway system, to become the focus for programmed and spontaneous activity at Prudential Center. Each space will have a distinct character and activities.

(f) Infrastructure Improvements and Conservation Measures. As a part of the proposed Redevelopment Project, Prudential will make major improvements in the sewer and storm drain systems in compliance with guidelines established by the Massachusetts Water Resources Authority. Prudential will also continue to employ conservation measures designed to improve the energy efficiency of the Center and to serve the goals of water conservation.

Separation Proposal

As discussed above, in an effort to revitalize the Prudential Center, Prudential proposes to redevelop the Existing Project and has made the initial filings pursuant to Article 31 of the Boston Zoning Code and is in the process of making additional filings necessary for approval of the Redevelopment Project by the Boston Redevelopment Authority (the "Authority"). In conjunction with Prudential's application for approval of the Redevelopment Project, Prudential desires to have the Authority approve the division

of the Chapter 121A status of the property into two separate projects, consisting of the residential portions of the Existing Project and the portions which are to be redeveloped as set forth below. The separation of the Existing Project is requested to provide assurance to the residential tenants of the Prudential Center that the termination of the 121A status of the non-residential portion of the Existing Project will not cause any loss of the protections currently afforded to those tenants under Chapter 121A.

During the extensive public review process that has accompanied the generation of the Development Plan, the Prudential Center's residential tenants expressed concern about their rights if the Existing Project's Chapter 121A status was terminated by the Authority. In response to these concerns, the Prudential, the Mayor's Office and the Authority have assured the Prudential Center's residential tenants that the residential component of the Existing Project will remain subject to Chapter 121A and that the residential tenants will continue to enjoy the protections afforded under Chapter 121A and the applicable case law interpreting those protections. In a letter to the Prudential Apartments Association, dated May 2, 1989, Mr. Don Gillis, Director of Neighborhood Services for the City of Boston, indicated that the protections accruing to the Prudential Center's residential tenants under Chapter 121A would remain in place during and after the construction accompanying the Redevelopment Project.

In order for the Prudential to undertake the Redevelopment Project, it is desirable to separate the residential portions of the Existing Project from the portions which are to be redeveloped. Such separation will result in continued protections under Chapter 121A for the residential tenants and will give the Authority flexibility in dealing with the portions of the Existing Project to be redeveloped after the Development Plan is approved pursuant to Section 3-1A.a. and Chapter 41 of the Boston Zoning Code and the protections afforded by such approval are in place.

In order to ensure that the residential tenants continue to retain the protections afforded them by Chapter 121A upon the termination of the Chapter 121A status of the non-residential portion of the Existing Project, Prudential requests that the Authority approve the division of the Existing Project into two separate Chapter 121A projects (the "Residential Project" and the "Redevelopment Project") as indicated on the following plans attached hereto as Exhibit A entitled: 1) "Plan of Land in Boston, Massachusetts ", dated August 28, 1989, prepared by Gunther Engineering, Inc., 2) "Extent of Residential Project, The Fairfield Building, Boston, Massachusetts, Suffolk County", dated August 28, 1989, prepared by Gunther Engineering, Inc., 3) "Extent of Residential Project, The Boylston Building,

Boston, Massachusetts, Suffolk County", dated August 28, 1989, prepared by Gunther Engineering, Inc., and 4) "Extent of Residential Project, The Gloucester Building, Boston, Massachusetts, Suffolk County", dated July, 1989, prepared by Gunther Engineering, Inc. The foregoing plans are collectively referred to hereinafter as the "Plans". Following such separation and termination the Residential Project, shown on the Plans will continue to be operated as a multi-unit residential apartment complex. Since the separation and termination causes no change in lot lines and creates no new real estate parcels the tenants of the Residential Project will continue to have rights of access through lobbies and existing elevators. The parking needs of the residential tenants and their visitors and guests will continue to be met, through monthly parking arrangements when initiated by a request of a tenant and through the provision of a reserved parking area for visitors and guests. Parking facilities for the residential tenants will be provided in an enclosed area on a shared use basis. This area is in close proximity to the base of the residential buildings. Additionally, the impact of the Prudential Center redevelopment on tenants will be minimized because to the extent possible the changes comprising the proposed redevelopment will be within the boundaries of the Redevelopment Project, shown on the Plans.

This separation of the Existing Project is desirable for two reasons. First, by isolating the residential component of the Existing Project as a separate project, the Authority can retain flexibility and address development issues with respect to the remainder of the Existing Project without disturbing the protections accruing to the Prudential Center's tenants under Chapter 121A. Second, by dividing the Existing Project and retaining the Residential Project's Chapter 121A status, the City of Boston (the "City") will realize significantly larger tax benefits from the Residential Project. Because of tax classifications and M.G.L. Chapter 59, residential property is taxed at a significantly lower rate than commercial property. Currently, the 1990 FY tax rate for residential property in the City is $8.45 per thousand dollars of fair market value. Under Chapter 121A, Section 10, the Prudential is taxed at a rate of $10.00 per thousand of the fair market value of the Existing Project plus five percent (5%) of gross income from all sources. Therefore, the City will realize increasingly greater revenue by having the Residential Project remain under Chapter 121A.

Additional Agreements

The following additional agreements (the "Agreements") were entered into at the time of the original approvals: 1) Statement of Amounts to be paid to the City of Boston; 2) Statement of Undertakings by the City; and 3) Minimum Standards for Financing, Construction, Maintenance and Management. To the extent that they apply to the Existing

Project, these Agreements will remain in full force and effect with respect to the Residential Project.

Summary

The Redevelopment Project is essential for the continued economic health of the Prudential Center and the adjacent neighborhoods. As a prerequisite to proceeding with the proposed redevelopment, Prudential has requested that the Authority divide the Prudential Center into two separate Chapter 121A projects, the Residential Project and the Redevelopment Project, in order to provide Prudential with the flexibility required in order to proceed with the Redevelopment. The Prudential Center's residential tenants desire to retain the protections afforded them by Chapter 121A, and the Prudential, the Mayor's Office and the Authority have promised to secure these protections. These two objectives of flexibility and stability are not antithetical. By approving the separation of the Existing Project, the Authority will be able to meet its goal of protecting the Prudential Center's residential tenants under Chapter 121A and, at the same time, retain a significant measure of flexibility and remain free to address development issues as they arise in the course of the redevelopment of the Prudential Center. In addition, the City will realize substantial tax benefits from the proposed separation and retention of the Residential Project's Chapter 121A status.

Deviations from Zoning

There are no permissions required for the proposed division of the Existing Project into two separate Chapter 121A projects to deviate from zoning, building, health and fire laws, codes, ordinances and regulations in effect in Boston since the separation does not create any new lots for zoning purposes.

Requests of Prudential

Prudential respectfully requests:

That you find that the proposed division of the Existing Project does not constitute a fundamental change in the Existing Project, and that the Residential Project and the Redevelopment Project, as shown on the Plan, will be subject to the provisions of General Laws, Chapter 121A and Chapter 652 of the Acts of 1960, and to the contract with the City of Boston dated March 2, 1962, as amended, and to the Rules and Regulations governing Chapter 121A Projects in the City of Boston, and to the Statement of Accounts to be paid to the City of Boston, and to the Minimum Standards for Financing, Construction, Maintenance and Management now applicable to the

Existing Project, and that you approve such division, and that this separation be effective upon the termination by the Boston Redevelopment Authority and the Mayor of the applicability of Chapter 121A to the Redevelopment Project.

Very truly yours,

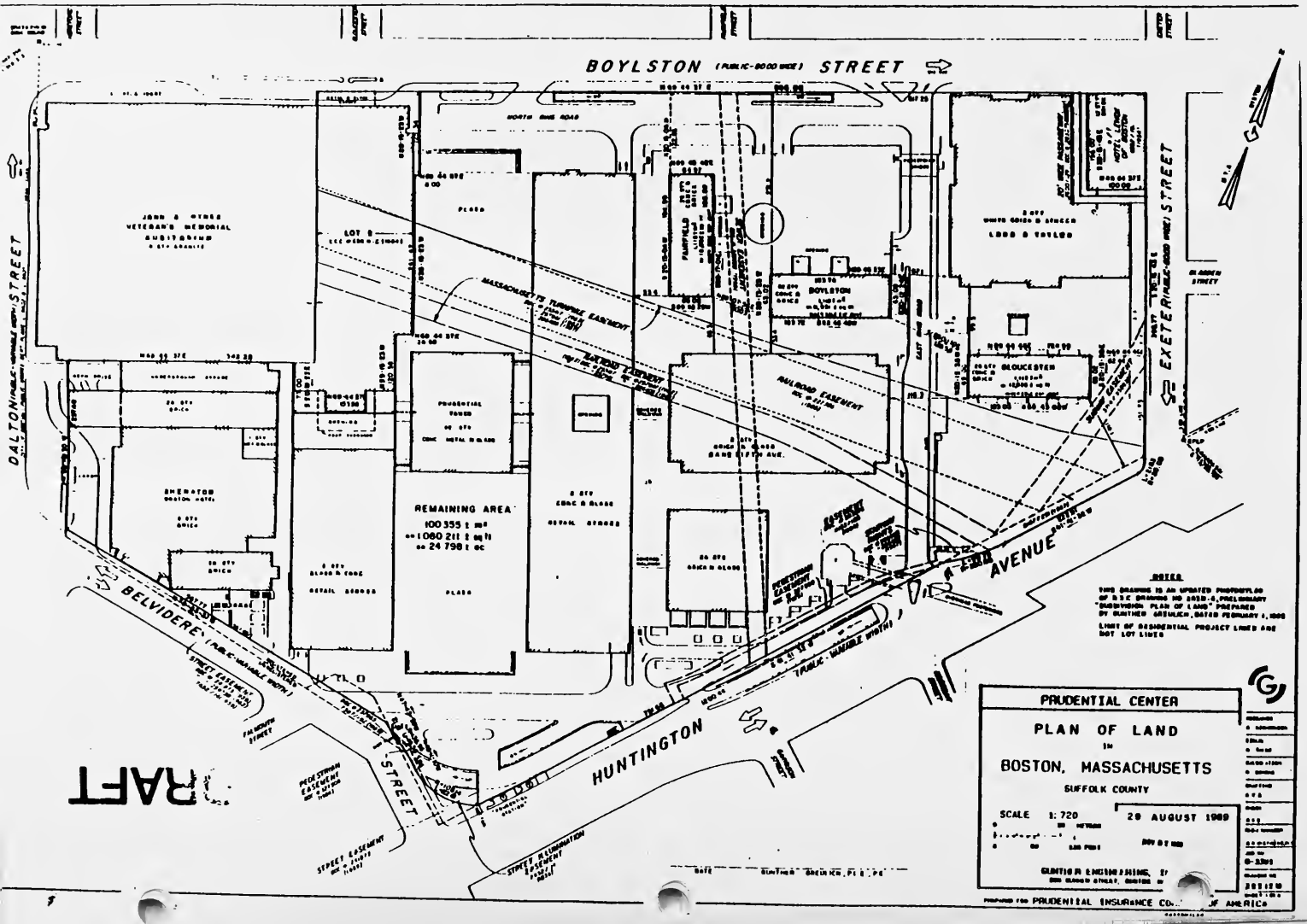
THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

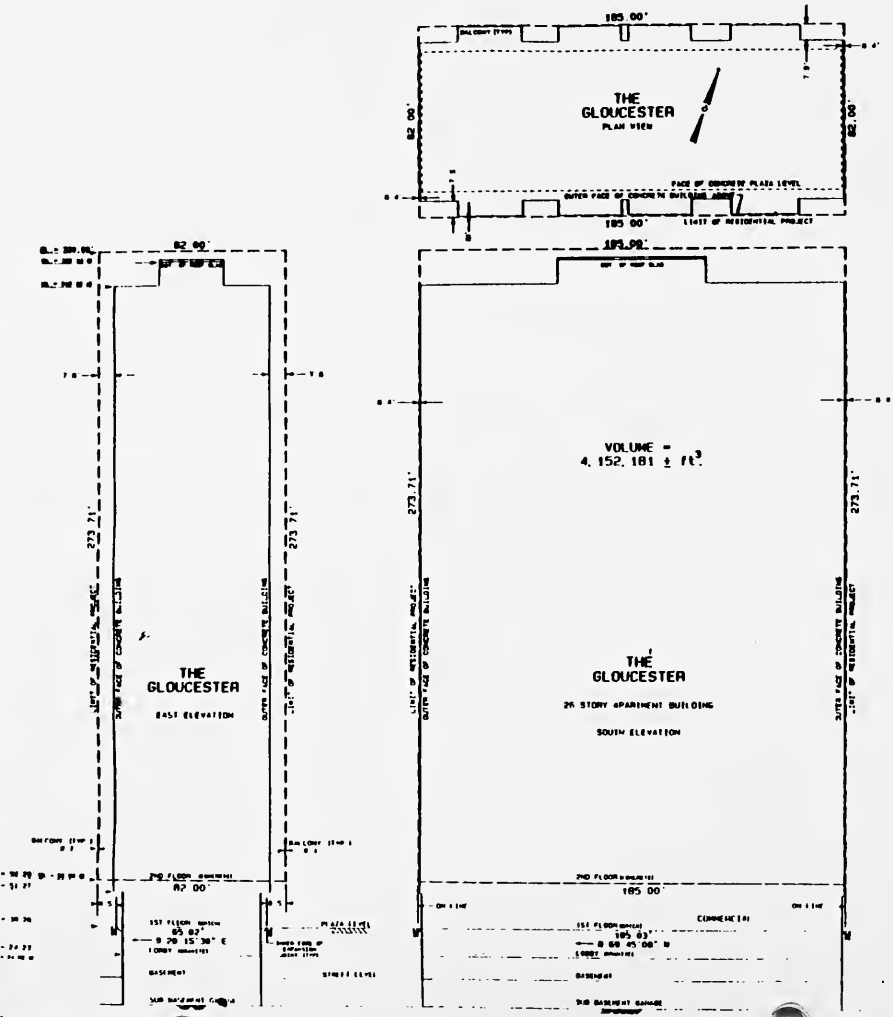
By: Robert J. Nick

XP-4763/p

EXHIBIT A

[Separation Plans]


BOYLSTON (PUBLIC-80.00 WIDE) STREET
DALTON (PUBLIC-50.00 WIDE) STREET
EXETER (PUBLIC-80.00 WIDE) STREET
BELVIDERE (PUBLIC-VARIABLE WIDTH)
HUNTINGTON AVENUE
STREET
JOHN F. KENNEDY VETERAN'S MEMORIAL SUBSTATION
SHERATON BOSTON HOTEL
PRUDENTIAL TOWER
REMAINING AREA
100 355 ± m²
1 080 211 ± sq ft
24 798 ± ac
PLAZA
RETAIL STORES
BOYLSTON
GLOUCESTER
LORD & TAYLOR
RAILROAD EASEMENT
MASSACHUSETTS TURNPIKE EASEMENT
PEDESTRIAN EASEMENT
STREET EASEMENT
STREET ILLUMINATION EASEMENT
TRAVEL VARIABLE WIDTH
DRAFT
NOTES
THIS DRAWING IS AN UPDATED PHOTOSTYLED OF A B.S.C. DRAWING NO 2818-6, PRELIMINARY SUBDIVISION PLAN OF LAND" PREPARED BY GUNTHER ASSOCIATES, DATED FEBRUARY 1, 1988
LINES OF RESIDENTIAL PROJECT LINES ARE NOT LOT LINES
PRUDENTIAL CENTER
PLAN OF LAND
IN
BOSTON, MASSACHUSETTS
SUFFOLK COUNTY
SCALE 1:720
29 AUGUST 1989
GUNTHER ENGINEERING, INC.
PREPARED FOR PRUDENTIAL INSURANCE CO. OF AMERICA



DRAFT

BENCHMARKS

[illegible]

REFERENCES

[illegible]

NOTES

[illegible]

LIMIT OF RESIDENTIAL PROJECT LINES ARE NOT LOT LINES

PRUDENTIAL CENTER

EXTENT OF RESIDENTIAL PROJECT
THE GLOUCESTER BUILDING

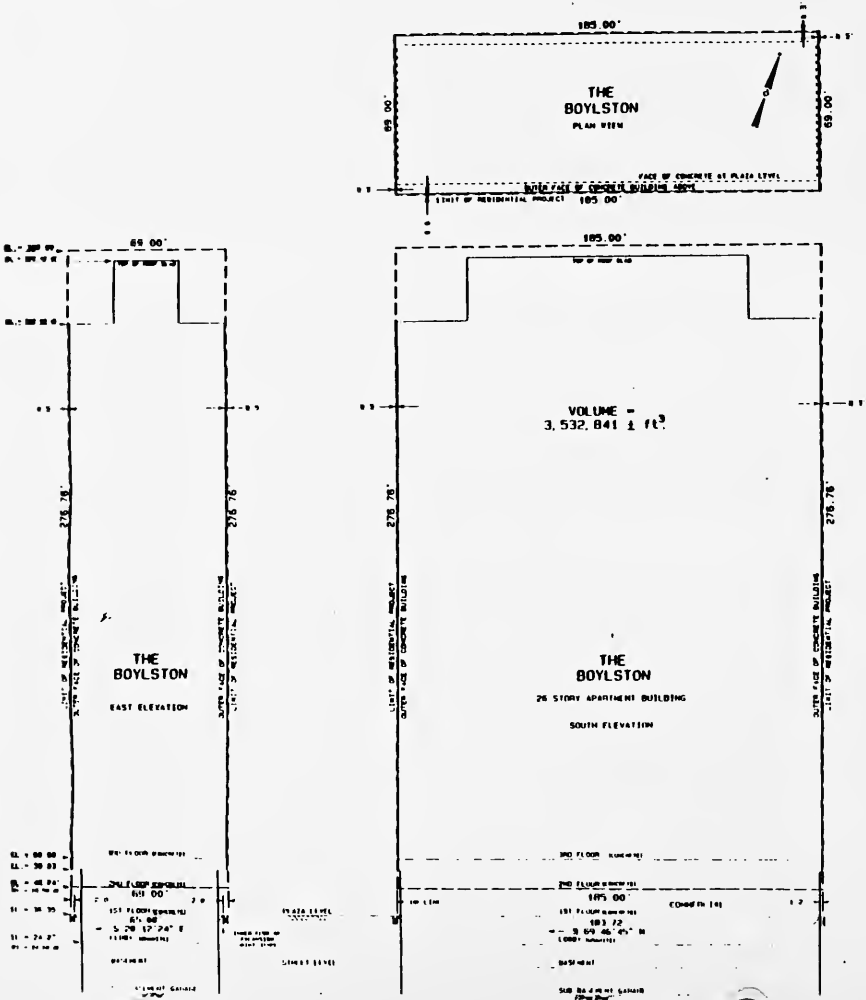
BOSTON, MASSACHUSETTS

SUFFOLK COUNTY

SCALE 1:240 JULY 1984

[illegible]

PRUDENTIAL INSURANCE COMPANY OF AMERICA



DRAFT

BENCHMARKS

F.D.C. ON SIDE ENT @ 0745 BOYLSTON ST
ELEV = 10.30

TOP PIN IN CONC. ROUND @ FIRE STATION, BOYLSTON ST
ELEV.= 29.40

REFERENCES

CHARLES THOMAN ASSOC.
DWG NO A11 412 DATED MAY 15, 1984

OUR DWG NO 293 15M SHEET 1 OF 4, DATED 28 AUGUST 1989

NOTES

ALL ELEVATIONS REFER TO BOSTON CITY BASE.

ELEVATIONS TAKEN AT TOP OF CONCRETE, QUANTS ON BRICK FACING

@ = DESIGN ELEVATION NOT BY SURVEY

FOR PROPERTY LINE SEE OUR DWG NO 293 15M

LIMIT OF RESIDENTIAL PROJECT LINES ARE NOT LOT LINES

"BAR" DENOTES ORIGINAL P.L.S. P.E.

PRUDENTIAL CENTER

EXTENT OF RESIDENTIAL PROJECT
THE BOYLSTON BUILDING

BOSTON, MASSACHUSETTS

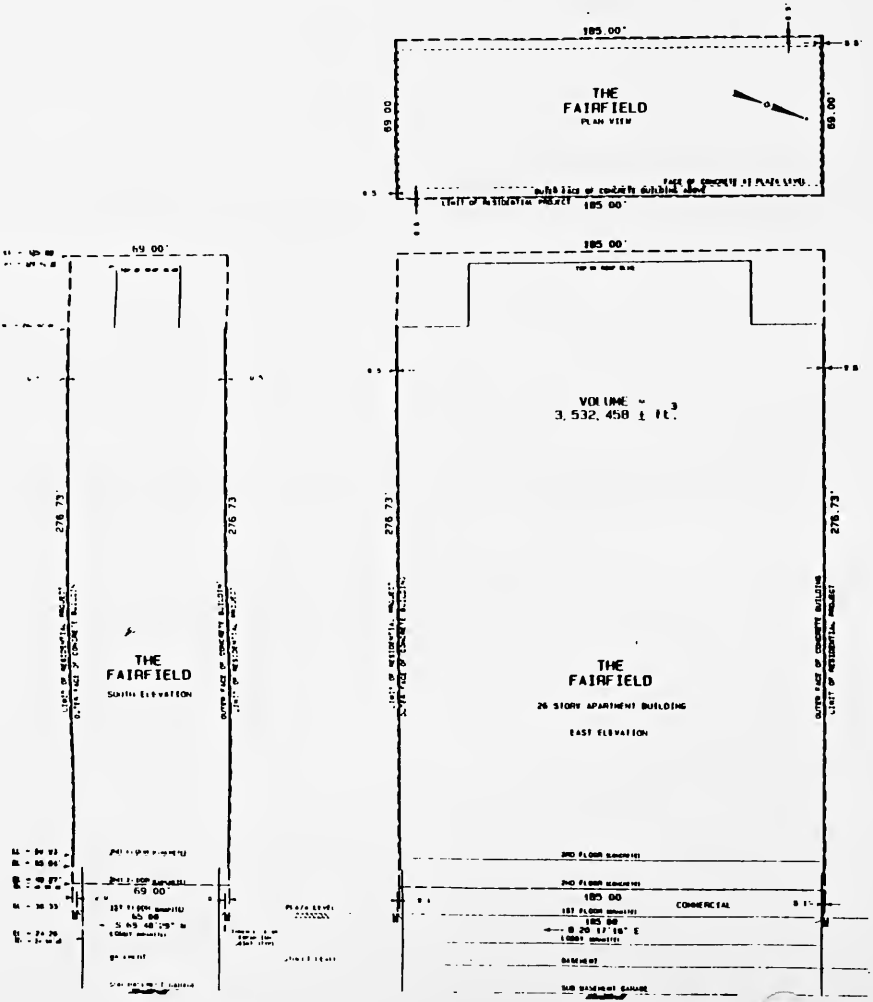
SUFFOLK COUNTY

SCALE 1:240 28 AUGUST 1989

CONTINUUM ENGINEERING

PRUDENTIAL INSURANCE COMPANY OF AMERICA

293 15M



DRAFT

BENCHMARKS

L.G.C. ON DRILL ENT. @ 9745 BOYLSTON ST
ELEV = 10.30.

TOP PIN IN CONC. BOUND @ FIRE STATION, BOYLSTON ST.
ELEV. = 20.40.

REFERENCES

CHARLES LUCIONAN ASSOC.
DWG NO AH1-A12 DATED MAY 13, 1984

OUR DWG. NO 203 13H SHEET 1 OF 4, DATED 20 AUGUST 1989

NOTES

ALL ELEVATIONS REFER TO BOSTON CITY BASE.

ELEVATIONS TAKEN AT TOP OF CONCRETE, GRANITE OR BRICK FEATURE

0 = BASTON ELEVATION (NOT BY SURVEY)

FOR PROPERTY LINE SEE OUR DWG NO 203 13H

LIMIT OF RESIDENTIAL PROJECT LINES ARE NOT LOT LINES

PRUDENTIAL CENTER

EXTENT OF RESIDENTIAL PROJECT
THE FAIRFIELD BUILDING

BOSTON, MASSACHUSETTS

SUFFOLK COUNTY

SCALE 1:240

28 AUGUST 1989

GUNTHER ENGINEERING, INC.
[illegible] BUNKER STREET, BOSTON, MA

JOB NO
0-3301

DRAWING NO
203.14H

PREPARED FOR PRUDENTIAL INSURANCE COMPANY OF AMERICA

December 1, 1989

Mr. Stephen Coyle, Director
Boston Redevelopment Authority
Boston City Hall
One City Hall Square
Boston, Massachusetts 02201

Re: Prudential Center Project - Redevelopment Proposal

Dear Mr. Coyle:

Reference is made to: (a) Amendment of Application dated June 13, 1961, filed by The Prudential Insurance Company of America with you on July 14, 1961, and to your Report and Decision dated August 14, 1961; (b) Supplementary Application dated August 13, 1964, filed with you on the same day, and to the action which you took with reference thereto by vote on August 13, 1964, approved by the Mayor on August 19, 1964; (c) Supplementary Application dated April 26, 1965, filed with you on April 29, 1965, and to the action which you took with reference thereto by vote on April 29, 1965, approved by the Mayor on June 2, 1965; (d) Supplementary Application dated July 17, 1967, filed with you on July 27, 1967, and to the action which you took with reference thereto by vote on August 7, 1967, and approved by the Mayor on August 15, 1967; (e) Supplementary Application dated April 11, 1972, filed with you on April 11, 1972, and to the action which you took with reference thereto by vote on June 15, 1972, and approved by the Mayor on July 6, 1972; (f) Supplementary Application dated April 17, 1973, filed with you on the same day, and to the action which you took with reference thereto on April 22, 1973, approved by the Mayor on May 2, 1973; (g) Supplementary Application dated June 27, 1974, filed with you on the same day, and to the action which you took with reference thereto on July 17, 1974, and approved by the Mayor on July 25, 1974; (h) Supplementary Application dated April 15, 1976, filed with you on April 16, 1976, and to the action which you took with reference thereto on May 6, 1976, approved by the Mayor on

May 24, 1976; (i) Supplementary Application dated February 12, 1979 filed with you on that date, and to the action you took with reference thereto on March 29, 1979, and approved by the Mayor on May 4, 1979; (j) Supplementary Application dated January 31, 1980, filed with you on that date, and to the action which you took with reference thereto on February 21, 1980, and approved by the Mayor on March 25, 1980; (k) Supplementary Application dated August 26, 1982, filed with you on that date, and to the action which you took with reference thereto on September 16, 1982, and approved by the Mayor on September 27, 1982; (l) Supplementary Application dated November 7, 1983, filed with you on that date, and to the action which you took with reference thereto on December 30, 1983; and (m) Supplementary Application dated May 29, 1987, filed with you on that date, and to the action which you took with reference thereto.

Background Information on the Prudential Center Project

In 1961, The Prudential Insurance Company of America ("Prudential") applied to the Boston Redevelopment Authority (the "Authority") for approval to carry out a redevelopment project (the "Initial Project") pursuant to Chapter 121A of the General Laws of the Commonwealth of Massachusetts ("Chapter 121A") and Chapter 652 of the Acts of 1960 ("Chapter 652"). The Authority granted approval of the Initial Project because the Authority made the finding that the area (the "Project Area") which Prudential proposed to redevelop was

> a Blighted Open Area within the definition contained in Section 1 of said Chapter 121A as amended, in that it is a predominantly open area which is detrimental to the safety, health, morals, welfare and sound growth of the City of Boston . . . and because it is unduly costly to develop it soundly through the ordinary operations of private enterprise . . . .

Since the approval of the Initial Project in 1961, Prudential and the Authority have worked together by amending the original application and through other means to ensure that the goals of the Initial Project might be realized. To this end, Prudential has constructed the high-rise buildings for office, residential, and commercial use, as well as the accompanying landscaped open spaces and parking facilities, which the Authority deemed appropriate to the "sound development of the Project Area." The Initial Project and all subsequent improvements to Prudential Center pursuant to amendments to the Chapter 121A application shall be referred to as the "Existing Project".

Prudential is concerned about the economic viability of the Existing Project and the negative impacts that a declining Prudential Center would have on the abutting neighborhoods. This concern has motivated Prudential to investigate a wide range of alternatives for redressing what it perceives to be increasing obsolescence and flaws in composition and design that prevent the Existing Project from serving as a base for revitalization. What follows is a brief explanation of the process that Prudential has followed in generating and assessing proposals for redevelopment of the Existing Project and a description of the proposed project that has emerged from this process.

The Plan Generation/Assessment Process

Prudential's concern with the general outdated and obsolescent condition of the Existing Project led it, in 1986, to propose redeveloping the Existing Project by adding approximately 2.3 million net usable square feet of residential, office, and retail space to that already existing on the site. This proposal was met with concern from the Existing Project's neighbors and other groups who would be affected by the proposed redevelopment. In response to these concerns, the Mayor created the Prudential Project Advisory Committee ("PruPAC"), a group representing various neighborhood, civic, and other special interest groups organized to generate a set of development guidelines for Prudential. In recognition of these guidelines, Prudential has scaled down its original proposal for redevelopment significantly.

Pursuant to Article 31 of the Boston Zoning Code and the provisions of the Massachusetts Environmental Protection Act, Prudential has undertaken a comprehensive environmental analysis, including an intensive traffic study, a housing impact study, wind and shadow studies, and various other environmental and infrastructure analyses. At each stage in the planning process, the Authority and PruPAC--as well as other interested groups--were advised of changes in the redevelopment proposal. These groups responded with suggestions regarding the project changes. Their suggestions were reviewed and, whenever possible, accommodated.

The Redevelopment Proposal

Prudential proposes to redevelop the Existing Project in accordance with the plan (the "Development Plan") attached

hereto as Exhibit A. The redevelopment project (the "Redevelopment Project") incorporates the following new construction:

(a) Belvidere Residential Building. Approximately 81 units of new housing located in a 9 floor residential structure over two floors of retail uses, enclosing an atrium space;

(b) Huntington Office Building. A 34 floor office structure over two floors of retail space;

(c) South Shopping Area. A new area of shops, including a mini-anchor store adjacent to the South Plaza;

(d) Huntington Shops. A new shopping area clustered around the entrance to the complex from the bridge to Copley Place;

(e) Neighborhood Shopping Center. A new large supermarket and shops catering to the day-to-day needs of nearby residents;

(f) Boylston Office Building. An 9 floor special purpose office structure over two floors of retail uses;

(g) North Shopping Area. New shops lining the entrance route from Boylston Street, including a mini-anchor store with entrances both at deck and ground level;

(h) Boylston West Residential Building. Approximately 78 units of new housing located in a 10 floor structure with retail uses at both street and deck level;

(i) Boylston East Residential Building. Approximately 123 units of new housing located in a 10 floor structure with retail uses at both street and deck level.

The Redevelopment Project will result in the addition of 991,000 FAR gross square feet of office space; 263,000 FAR gross square feet of retail space (net of demolition of 143,000 square feet of existing low-rise retail space, except the Bank of New England offices, Saks Fifth Avenue and Lord & Taylor); 422,000 FAR square feet of residential space; and 158,000 FAR square feet of enclosed pedestrian areas.

Among the goals to be served by the Redevelopment Project is the transformation of the Existing Project into an environment that is appealing at all hours. This will be accomplished by a unique site organization that parallels the street patterns of the surrounding neighborhoods. This

structure will allow for free pedestrian movement through the Redevelopment Project.

Benefits From the Redevelopment

The proposed Redevelopment Project will produce numerous public benefits outlined as follows:

(a) Fiscal Benefits: As discussed below, the separation of the Existing Project into the Residential Project and the Redevelopment Project will result in greater tax revenues for the City of Boston (the "City"). Proceeding as proposed will result in an increase to the City of approximately $93,000,000 in tax benefits over ten years between 1991 and 2001. This increase in benefits is met by an increase in cost to the City during the same 10-year period of only about $0.8 million annually.

(b) Employment Benefits: The Redevelopment Project will produce approximately 2,200 person years construction jobs over a seven to ten year period, beginning in 1990. In addition, approximately 5,600 permanent jobs will be created, generating approximately $154,000,000 in annual wages. The Redevelopment Project will also generate approximately $1,455,000 in job linkage funds.

(c) Housing and Community Benefits: The Redevelopment Project will generate housing linkage contributions of approximately $7,275,000. Prudential has proposed in addition a voluntary contribution to the City of $1,116,000. Prudential proposes to use these funds to satisfy the affordable housing component of the proposed zoning for the Redevelopment Project.

(d) Public Amenities: The proposed Redevelopment Project will redress the existing isolation and separation of the Prudential Center from the surrounding neighborhoods by producing continuous, active, and well-scaled urban arcades through the Prudential Center. The existing spaces will be replaced by lively retail shops attracting pedestrians. The proposed elimination of the north and south ring roads will further link the Center with its surroundings. A new neighborhood shopping area, containing an enlarged supermarket and other shops intended to serve residents of adjacent neighborhoods, will be constructed to front on East Ring Road and Huntington Avenue. Additionally, the Redevelopment Project includes two child-care centers with associated outdoor play areas, a relocated information center operated by the Greater Boston Convention and Tourism Bureau, a post office, and a chapel.

(e) Transportation and Transit Improvements. The proposed Redevelopment Project includes a transportation mitigation plan to lessen the anticipated traffic impacts of the new development and to reduce the transportation impacts of existing uses at Prudential Center. The components of this comprehensive plan include: improving access to public transportation; parking management improvements to the existing Prudential Center garage; access/circulation design improvements to the manner in which the Prudential Center integrates with the surrounding street system; traffic operations improvements to area streets; loading improvements designed to minimize negative impacts from those activities; and pedestrian improvements designed to upgrade the pedestrian walkways and improve connections to the surrounding areas. Pedestrian passageways will be reconstructed on the site to provide weather protected and heated ways between the main destinations -- from the Copley Place bridge to the south entrance of the Hynes Convention Center, and between Boylston Street and the corner of Huntington Avenue and Belvidere Street. Secondary indoor pedestrian ways will connect to a new street level entrance on Belvidere Street at the end of the Christian Science Plaza, and will provide an indoor link at the deck level between the main retail areas of the complex and the Lord & Taylor store. Pedestrian passageways have been designed to be direct and street-like in character, with roofs glazed to the maximum extent possible, as permitted by codes. A series of generous indoor public spaces will be provided at the entrances to the complex and at nodes on the passageway system, to become the focus for programmed and spontaneous activity at Prudential Center. Each space will have a distinct character and activities.

(f) Infrastructure Improvements and Conservation Measures. As a part of the proposed Redevelopment Project, Prudential will make major improvements in the sewer and storm drain systems in compliance with guidelines established by the Massachusetts Water Resources Authority. Prudential will also continue to employ conservation measures designed to improve the energy efficiency of the Center and to serve the goals of water conservation.

Termination of Chapter 121A Status

The development of the Existing Project was accomplished pursuant to the provisions of Chapter 121A and Chapter 652. The special tax arrangement created by these statutes enabled Prudential to redevelop a portion of the City that would otherwise have remained a blighted area. Due to changes in the

financial atmosphere since 1961, it is not advantageous for Prudential to redevelop the site pursuant to these statutes. As indicated in the Supplementary Application filed simultaneously herewith requesting separation (the "Separation") of the Existing Project, Prudential proposes to retain the Chapter 121A status of the Residential Project, and thereby afford protection to the tenants of the residential apartments.

In order to accomplish the Redevelopment Project, however, Prudential requests that the Authority terminate the Chapter 121A status of the Redevelopment Project. Because of the strict statutory limitations on the sale of interests in a project organized under Chapter 121A, Prudential would be prohibited in a practical sense from seeking co-investors to help finance the proposed redevelopment. Additionally, the condominium construction which Prudential views as essential to the success of the Redevelopment Project as a mixed-use development is not consistent with the restrictive provisions of Chapter 121A. These factors, when combined with Prudential's desire to make the Redevelopment Project a model of redevelopment that is at once economically viable and sensitive to the needs and concerns of its neighbors, underlie Prudential's request to carry out the proposed redevelopment free from the constraints of Chapter 121A.

It is significant that if the Authority terminates the Redevelopment Project's Chapter 121A status, the community will not lose the protections provided by Chapter 121A. The Redevelopment Project will remain subject to Authority control over project implementation and design, as well as the provision and generation of public benefits. Under Article 31 of the Boston Zoning Code and the process by which the Redevelopment Project will be designated a Planned Development Area, the Redevelopment Project's neighbors and City residents in general will be accorded protections analogous to those present under Chapter 121A.

The termination of the Redevelopment Project's Chapter 121A status may be effected by direct action of the Authority. It is consistent with past Authority action for the Authority to terminate the Chapter 121A status of the Redevelopment Project pursuant to the Authority's power under Chapter 121A. On at least eight separate occasions, the Authority has voted to terminate the Chapter 121A status of a project organized pursuant to Chapter 121A. Therefore, the Authority may determine that it is in the public interest for the Redevelopment Project to proceed without the constraints of Chapter 121A and terminate the Chapter 121A status of the Redevelopment Project.

Deviations from Zoning

There are no permissions required for the proposed new construction to deviate from zoning, building, health and fire laws, codes, ordinances, and regulations in effect in Boston.

Section 6A Contract

In accordance with Section 4 of the contract (the "Contract") between the City of Boston and Prudential dated March 2, 1962, Prudential hereby consents to the applicability to the project of all amendments to Chapter 121A and Chapter 652 and the Rules, Regulations, and Standards that have been enacted since the date of the Contract (collectively, the "Amendments").

Requests of Prudential

Prudential respectfully requests:

(a) That you find that Prudential has satisfied all of the obligations it undertook at the time of initial project approval and has completed construction of all amenities and improvements for which permission was sought in previous Supplementary Applications.

(b) That you approve the proposed new construction as described in the Redevelopment Plan.

(c) That you find that the proposed new construction constitutes a fundamental change in the type and character of the buildings comprising the project.

(d) That you consent to the applicability of the Amendments to the project.

(e) That, pursuant to Chapter 121A and Chapter 652, you confirm the termination and do hereby terminate the Chapter 121A status of the Redevelopment Project.

Prudential has requested that the Authority make the above-described determinations with the understanding that the requested approval of the Redevelopment Project and the termination of the Redevelopment Project's Chapter 121A status will be effective upon the filing of a certificate with the Authority, the Commissioner of Insurance, the Tax Assessor for

the City of Boston, and the Massachusetts Department of Revenue stating that construction on the Redevelopment Project has commenced.

Very truly yours,

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By: _____
Robert J. Walsh, Vice President

EXHIBIT A

[Development Plan]

XP-5037/p

BOSTON REDEVELOPMENT AUTHORITY

AMENDMENT TO THE REPORT AND DECISION ON THE APPLICATION OF THE PRUDENTIAL INSURANCE COMPANY OF AMERICA FOR AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.) CHAPTER 121A, AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960

(SEPARATION AMENDMENT)

This Amendment to the Report and Decision ("Amendment") is dated as of January 18, 1990.

On July 14, 1961, the Authority voted to adopt a Report and Decision on the Application of the Prudential Insurance Company of America ("Applicant") for Approval of an Urban Redevelopment Project pursuant to Massachusetts General Laws (Ter. Ed.) Chapter 121A as amended and Chapter 652 of the Acts of 1960. This application (the "Application") was amended August 13, 1964; April 29, 1965; August 7, 1967; June 15, 1972; April 22, 1973; July 17, 1974; May 6, 1976; March 29, 1979; February 21, 1980; September 16, 1982; and December 30, 1983.

In accordance with the foregoing amendments, the Applicant has completed the amenities and improvements contemplated by said amendments. The project as modified in accordance with said amendments shall be referred to herein as the "Existing Project."

On November 6, 1989, the Applicant submitted a further request for an amendment to the Application. The Applicant requested that the Authority divide the Existing Project into two separate projects for the purposes of said Chapter

121A. The two proposed projects are referred to herein as the "Residential Project" and the "Redevelopment Project" and the proposed boundaries of the same are described in the following plans entitled: (1) "Plan of Land in Boston, Massachusetts, Suffolk County" dated August 28, 1989, prepared by Gunther Engineering, Inc., (2) "Extent of Residential Project, The Fairfield Building, Boston, Massachusetts, Suffolk County", dated August 28, 1989, prepared by Gunther Engineering, Inc., (3) "Extent of Residential Project, The Boylston Building, Boston, Massachusetts, Suffolk County", dated August 28, 1989, prepared by Gunther Engineering, Inc., and (4) "Extent of Residential Project, The Gloucester Building, Boston, Massachusetts, Suffolk County", dated July, 1989, prepared by Gunther Engineering, Inc. The foregoing plans are collectively referred to hereinafter as the "Plans", and are attached hereto as Exhibit A.

The Applicant has requested the present Amendment in contemplation of a further amendment ("Termination Amendment") to the Application which would terminate the application of Chapter 121A to the Redevelopment Project, but would not terminate the application of Chapter 121A to the Residential Project.

The Authority hereby makes the following findings and determinations:

> That the proposed division of the Existing Project into two separate projects, the Residential Project and the Redevelopment Project, as shown on the Plans, does not constitute a fundamental change in the Existing Project, and that the Authority approves such separation of the Existing Project, and that the Residential Project and the Redevelopment Project, as shown on the Plans, will be subject to the provisions of General Laws Chapter 121A and

Chapter 652 of the Acts of 1960, and to the contract between the Applicant and the City of Boston, dated March 2, 1962, as amended, and to the Rules and Regulations governing Chapter 121A Projects in the City of Boston, and to the statement of Accounts to be paid to the City of Boston, and to the Minimum Standards for Financing, Construction, Maintenance and Management now applicable to the Existing Project, and that the Authority approves such division of the Existing Project, subject to the foregoing, and that such division shall be effective upon the effective date of termination by the Authority and the Mayor of the applicability of Chapter 121A to the Redevelopment Project.

EXHIBIT A

(Separation Plans)

BOSTON REDEVELOPMENT AUTHORITY

AMENDMENT TO THE REPORT AND DECISION ON THE APPLICATION OF THE PRUDENTIAL INSURANCE COMPANY OF AMERICA FOR AUTHORIZATION AND APPROVAL OF A PROJECT UNDER MASSACHUSETTS GENERAL LAWS (TER. ED.) CHAPTER 121A AS AMENDED, AND CHAPTER 652 OF THE ACTS OF 1960

(TERMINATION AMENDMENT)

This Amendment to the Report and Decision ("Amendment") is dated as of January 18, 1990.

On July 14, 1961, the Authority voted to adopt a Report and Decision on the Application of the Prudential Insurance Company of America ("Applicant") for Approval of an Urban Redevelopment Project pursuant to Massachusetts General Laws (Ter. Ed.) Chapter 121A as Amended and Chapter 652 of the Acts of 1960. This application (the "Application") was amended August 13, 1964; April 29. 1965; August 7, 1967; June 15, 1972; April 22, 1973; July 17, 1974; May 6, 1976; March 29, 1979; February 21, 1980; September 16, 1982; and December 30, 1983. The project as modified in accordance with said amendments to the Application shall be referred to as the "Existing Project".

On November 6, 1989, the Applicant submitted a further request for an amendment to the Application. Such amendment ("Separation Amendment") is set forth in a separate document being considered by the Authority concurrently with this Amendment. The Separation Amendment provides for the division of the Existing Project into two separate projects for the purposes of Chapter 121A of the General Laws. These two separate projects are shown on plans attached to

the Separation Amendment and are referred to therein and herein as the "Residential Project" and the "Redevelopment Project."

On December 1, 1989, the Applicant submitted a further request for an amendment to the Application, which amendment is set forth herein. The Applicant requested that the Authority terminate the application of Chapter 121A to the Redevelopment Project, but not terminate the application of Chapter 121A to the Residential Project, and to take certain other actions incident to the foregoing.

The Applicant has requested the modifications described in the Separation Amendment and in this Amendment in contemplation of the redevelopment of the Existing Project as described in the Applicant's request for approval of a Development Plan and Development Impact Project Plan ("Development Plan") for the Prudential Center, a copy of which is attached hereto as Exhibit A.

The proposed redevelopment has emerged from a comprehensive planning process involving the Applicant, the Authority, and the Prudential Project Advisory Committee ("PruPAC"), a special group convened by the Mayor to represent the interests of those affected by the proposed redevelopment. The redevelopment will provide for the revitalization of the now obsolete Prudential Center as well as for substantial public benefits, as described in detail in the Development Plan.

In order to proceed with the proposed redevelopment in the most expeditious and economically feasible manner, the Applicant has requested that the Authority terminate the application of Chapter 121A to the Redevelopment Project. A careful examination of the proposed redevelopment in light of constraints of

Chapter 121A reveals that the proposed condominium development that the Applicant plans to construct is inconsistent with the provisions of Chapter 121A. Additionally, statutory limitations set forth in Chapter 121A would unduly restrict the Applicant's ability to structure financing for the proposed redevelopment. The significance of these factors to the successful redevelopment of the Prudential Center and the generation of the concomitant public benefits described in the Development Plan indicate that it is in the public interest to terminate the Redevelopment Project's Chapter 121A status.

However, during the extensive review process that accompanied the preparation of the Development Plan, the Prudential Center's residential tenants expressed concerns about their rights if the Chapter 121A status of the residential portion of the Center were terminated. Mayor Flynn expressed his support for the concerns of the tenants and the City's commitment to protect their rights. Consequently, it was agreed that termination of the Center's Chapter 121A status would exclude the Residential Project, which would remain subject to Chapter 121A. Notwithstanding the protections afforded to the residential tenants by the applicability of the provisions of Chapter 121A to the Residential Project, the residential tenants have expressed additional concerns about the continued existence of the rental status of the residential apartments during the term of the Chapter 121A Agreement and other issues, including the continuance of self-parking arrangements of existing tenants. The Authority is sympathetic to the concerns of the residential tenants in regard to the continued maintenance of the rental status of the apartments due to the history of attempts made to convert residential apartments in the Existing Project to condominiums or cooperatives and intends to address this concern by this Amendment. The Authority also is

sympathetic to concerns on other issues raised by the residential tenants, including that relating to the continuance of self-parking arrangements, and notes that those issues have been dealt with in the Cooperation Agreement to be entered into by the Applicant and the Authority in connection with the Applicant's request for approval of the Development Plan.

Authority Action. Before making the findings and determinations herein set forth and approving the Application, the Authority has considered the Application itself, all documents and exhibits filed with it or referred to in it, the considered recommendation by the Authority's staff, and the arguments and statements made before the Board of the Authority.

Based on the foregoing, the Authority makes the following findings and determinations:

A. Approval of Termination. The Authority hereby approves and consents to the termination of the application of Chapter 121A to the Redevelopment Project (but not to the Residential Project), subject to the following conditions, which are hereby imposed as rules and regulations. The termination as to the Redevelopment Project shall be effective upon the date by which (i) a certificate (the "Termination Certificate"), in recordable form from the Applicant, is filed with respectively, the Authority, the City Clerk of the City of Boston (the "City Clerk"), the Commissioner of Assessing and the Collector-Treasurer, both of the City of Boston, and the Department of Revenue, Commonwealth of Massachusetts, certifying that work on the redevelopment of the Prudential Center has commenced and stating that the

purpose of said certificate is to trigger the termination of the application of Chapter 121A to the Redevelopment Project, as defined in this Amendment, (ii) the 6A Contract referenced in Item C below, is executed and delivered to the Authority and (iii) the certificate referenced in Item E below is executed and delivered to the Authority. The date on which the last of the actions described in clauses (i), (ii) and (iii) is accomplished shall be referred to herein as the "Termination Date." From and after the Termination Date, the Redevelopment Project shall be released from all applicable restrictions, benefits and exemptions, imposed or conferred by Chapter 121A. The Redevelopment Project after the Termination Date will no longer be exempt from taxes, excises or assessments, as set forth in Chapter 121A, Section 10, and shall thereafter be subject to any and all real and personal property taxes, excises and assessments to the extent imposed by Chapter 59 of the Massachusetts General Laws, as now amended or as may in the future be amended. Unless the Termination Certificate is filed within two (2) years from and after the date of the filing of this Amendment with the City Clerk, the provisions for termination authorized herein shall lapse, unless a time extension or extensions is or are granted by vote of the Authority with the approval of the Mayor in accordance with Chapter 652 of the Acts of 1960. Prior to filing the Termination Certificate, the Applicant shall enter into a Payment In-Lieu of Tax Agreement with the City of Boston, approved by the Commissioner of Assessing, in connection with the Redevelopment Project providing that the Applicant will make payments in lieu of taxes with respect to the Redevelopment Project for the period from the date of termination of the application of Chapter 121A to the Redevelopment Project to the date taxes begin to accrue under

Chapter 59 of the General Laws. Such payments will be the same as the taxes that would have been payable on the Redevelopment Project if computed under the Chapter 121A formulas applicable to such project.

B. Fundamental Change in the Project. The Authority hereby finds that the proposed redevelopment of Prudential Center, if approved by the Authority under the provisions of Chapter 121A, would constitute a fundamental change in the Existing Project or in the type and character of the buildings of the Existing Project. The Applicant has indicated that and the Authority so finds that the redevelopment could not be undertaken as a practical matter subject to the restrictions of Chapter 121A. Accordingly, the Authority has approved and consented to the termination of the application of Chapter 121A to the Redevelopment Project (but not to the Residential Project). The Authority hereby finds that as the Authority is simultaneously approving the Applicant's request for approval of the Development Plan which allows the redevelopment to proceed, the Authority hereby finds that the termination of the Chapter 121A status provides the opportunity for the redevelopment project to go forward and that such termination constitutes in itself a fundamental change in the Redevelopment Project or in the type and character of buildings of the Redevelopment Project.

C. Amendment to 6A Contract. The termination of the application of Chapter 121A to the Redevelopment Project, as provided in this Amendment, shall not take effect until an amendment to the 6A Contract applicable to the Existing Project is executed by the Applicant and the City of Boston,

which amendment shall be in substantially the form attached hereto as Exhibit B.

D. Effect on Environment. The Authority hereby finds that the requested actions will have no adverse effect on the environment, and that all practicable and feasible means and measures have been taken, or will be utilized to avoid or minimize damage to the environment.

In particular, such changes do not significantly increase any of the environmental consequences of the Project that have previously been evaluated by the Authority or are being evaluated contemporaneously by the Authority in connection with its review of the Applicant's request for Development Plan approval in connection with the redevelopment of the Prudential Center.

E. Maintenance of Rental Status. That in consideration of the foregoing approval to terminate the Chapter 121A status of the Redevelopment Project, the Authority hereby states that it shall not entertain or approve any application to convert the Residential Project to a condominium or cooperative status, it being the intention of the Authority to ensure the continuation of the rental status of the Residential Project throughout the remaining term of the Residential Project Chapter 121A term which ends August ___, 2001. In order to ensure compliance with this finding and determination, the termination of the application of Chapter 121A to the Redevelopment Project, as provided in this Agreement, shall not be effective

until the Applicant executes and delivers to the Authority an agreement as set forth in Exhibit C hereto.

The findings and determinations of the Authority set forth in a document of even date entitled "Resolution of the Boston Redevelopment Authority Regarding Prudential Center Development Plan and Development Impact Project Plan for Planned Development Area No. 37", Document No. ____, are incorporated into this Report and Decision as if set forth herein.

EXHIBIT A

(Development Plan)

DIR13/09.RPT
121489/9

EXHIBIT B

(6A Contract Amendment)

DIR13/09.RPT
121489/10

EXHIBIT C

AGREEMENT AS TO RENTAL STATUS OF
RESIDENTIAL PROJECT - PRUDENTIAL CENTER APARTMENT BUILDINGS

Reference is made to the Boston Redevelopment Authority's Amendments to the Report and Decision on the Application of the Prudential Insurance Company of America for Authorization and Approval of a Project Under Massachusetts General Laws (Ter. Ed.) Chapter 121A as Amended, and Chapter 652 of The Acts of 1960, both dated January ____, 1990. Capitalized terms used herein shall have the meaning set forth in such Amendments to the Report and Decision.

In consideration of: (a) testimony of the Prudential Apartments Association on December 14, 1989 in support of the Applicant's request to the Boston Redevelopment Authority for separation of the Redevelopment Project from the Residential Project, and to terminate the application of Chapter 121A to the Redevelopment Project; (b) the agreement of the Prudential Apartments Association not to seek judicial review of the approval of the Boston Redevelopment Authority of Applicant's request; and (c) the condition imposed by the Boston Redevelopment Authority that the Applicant provide a written commitment to the tenants of the Residential Project to maintain the rental status of the Residential Project, The Prudential Insurance Company of America hereby commits and agrees: (1) to maintain the rental status of the Residential Project (currently known as the Gloucester, the Fairfield, and the Boylston apartment buildings in the Prudential Center) until August 31, 2001; and (2) not to seek conversion of any of the Residential Project, said buildings, or their apartments, to condominium or cooperative status prior to August 31, 2001. The Prudential Insurance Company of America intends this commitment to be legally binding and enforceable by the Prudential Apartments Association and/or by any residential tenants of the Residential Project, and/or by the Authority. This commitment shall be binding on any successors and assigns to The Prudential Insurance Company of America.

Executed this _____ day of _____, 199__.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By _____

Agreed to:

PRUDENTIAL APARTMENTS ASSOCIATION

By _____

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121489/11

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80571	Black
80572	Lt. Blue
80573	Dk. Blue
80578	Rust
80579	Exec. Red

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